

**Lawrence Berkeley National Laboratory
Contract Assurance Council
Minutes of Meeting**

**Wednesday, February 6, 2008
University of California—Office of the President
Franklin 9204**

CAC members or representatives present:

Bob Foley	Gary Falle, by phone	Al Diaz, by phone
Bob Van Ness	Bruce Darling	John Layton, by phone
John Birely	Patrick Reed	John Oakley, by phone
Steve Beckwith	Buck Koonce	

CAC members absent:

Anne Broome	Judy Boyette	Charles Robinson
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UCOP Staff:

Ron Nelson	Jim Hirahara	Sandy Vinson
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Guest participants:

David McGraw, LBNL	Jim Krupnick, LBNL
Jeffrey Fernandez, LBNL	John Chernowski, LBNL

Welcome/Action Items

Bob Foley welcomed the Council members. Jim Hirahara opened the meeting, and with input from LBNL representatives, reported on the following action items:

- Items 33—Item to be addressed by Jeffrey Fernandez in today's meeting.
- Item 34—Item continues as Open – Jeffrey Fernandez to provide update in March or April CAC meeting
- Items 39 & 40—Items will be partially complete based on Jeffrey Fernandez' presentation today, but will remain open until a Corrective Action Plan to DOE is provided in March or April.
- Item 41—Status to be updated by Jim Krupnick in today's meeting.
- Item 42—Item to remain open pending receipt of DOE report and development of a Lab Corrective Action Plan with report to be provided at March 2008 CAC meeting.
- Item 43 – Item to remain open, with a target for the report to be provided at the March or April CAC meeting.

The Council should consider the January 2008 minutes final as distributed.

Signature Authority

The Council was briefed at its August 2007 meeting on an OFCFO sponsored review of signature authorities and opportunities for improvement that had been identified. At the

Council's request, Jeffrey Fernandez reported on the status of actions taken to address the opportunities for improvement so identified. Jeffrey reported that substantial progress has been made. Policies to clarify roles and responsibilities were updated in November 2007. Potential concerns that proper authority resided with the proper person have been clarified, e.g., so that it is clear that a subordinate should not be authorized to approve a supervisor's travel voucher. Review of signature authority lists and delegation paths will be completed in February 2008. Significant training has already been implemented and will be completed in March 2008. A key message in the training is to make sure signatories understand the broad range of personal responsibilities they are expected to ensure before signature. Manual processes have been updated by incorporating automated processes in travel and eBuy systems. Other automated processes are being evaluated for further enhancements. The Council asked what assurances there are that the clarified roles and responsibilities and other improvements are effective. Pat Reed offered to follow-up with the Laboratory's Internal Auditor, Terry Hamilton, to consider how to address this question.

Management Controls (i.e. response to the DOE/BSO Site Manager's letter)

Jeffrey Fernandez reported on the Laboratory's initial assessment of actions needed in response to concerns raised in a letter from Aundra Richards, the DOE/BSO Site Manager. She expressed concern relative to the adequacy of management controls over non-Laboratory property used on-site, as evidenced by the recent mercury spill incident at the Molecular Foundry. Four problem definitions were identified. Howard Hatayama reported how the ISM system would be modified to implement potential solutions and improved controls. The LBNL Institutional Assurance Office is also involved. The Council noted the reasonableness of an approach based on enhancing the existing ISM system and establishing clear accountability for following the system, rather than creating a new system to address the concerns, if feasible. In addition, it was noted that one of the most challenging issues is going to be how to address the matter of changing and improving the behavior of part-time or non-Lab UC employees who conduct work at the Lab under less formal (e.g. Work-for-Others) arrangements. There was a recognized need to continue to work closely with BSO on this matter.

Helios Project (& CRT & Guest House)

Jim Krupnick provided an update on last month's report on the status of the Helios project. It has been decided that the site for the Helios building will remain unchanged. A new option not previously mentioned earlier is to seek sources of additional funds, including UC bonds and gifts. To mitigate budget issues, there will be no auditorium and 2 floors assigned to UC for non-EBI work will be only finished in a "shell" condition. A draft agreement between UCB and LBNL is being finalized. (The letter to Provost Hume regarding concerns about cost estimation for capital construction projects has been revised to incorporate all comments received. Dave McGraw will coordinate with UC Berkeley before finalizing. This is not a CAC action required by its Charter, so no formal action will be tracked.)

Jim Krupnick also reported on the CRT building. There is a working session this Friday February 8, 2008. Status of the project will be provided at the next CAC meeting.

Construction on the Guest House is expected to start at the beginning of March. The MOU between UC and the DOE needs to be finalized as soon as possible.

Power Outage

On January 9, 2008 at 12:30 PM LBNL suffered a power outage that affected 26 buildings. Power was restored in under 3 hours. Howard Hatayama will update the CAC at the March 2008 meeting on the status of the root cause analysis investigation and extent of condition reviews and improvements underway as a result of the outage.

Action Items:

#	Responsible Party	Action	Date Added	Status
33	Fernandez LBNL	Report effectiveness of changes to and controls on signature authorities	08/15/07	OPEN— status in March 2008
34	Fernandez LBNL	Updates on UCB/LBNL status of addressing the different indirect rate structures at the Lab versus Berkeley Campus	10/10/07 (discussions beginning on 08/15/07)	OPEN— updates in March or April
39	Fernandez LBNL	Report on what measures UCB and LBNL take to require vendors to indemnify UC when the vendor is working at LBNL	12/12/07	OPEN Partially complete, finalize in March or April
40	Fernandez LBNL	Report on how equipment owned by other organizations is managed at LBNL, including maintaining accountability and operational safety assurance	12/12/07	OPEN Partially complete, finalize in March or April
41	Krupnick LBNL	Provide follow-up report on status of Helios and CRT construction projects	01/08/08	CLOSED Updated on 2/06/08
42	Chernowski LBNL	Provide follow-up on the contents of the QA final report and resulting corrective actions	01/08/08	OPEN To be addressed in March
43	Chernowski LBNL	Report on any changes in the CATS process for reviewing and approving CATS entries requiring institutional funding.	01/08/08	OPEN To be addressed in March or April
44	Hatayama	Report on status of condition reviews and improvements underway as a result of the January 9, 2008 power outage.	2/07/08	OPEN
45	Reed	Follow-up with Terry Hamilton on Signature Authorities	2/07/08	OPEN